

Senate Efficiency Champions Advance Elements of Recent USGBC Report

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As members of the House and Senate tax writing committees continue to negotiate over the extension payroll tax cut and other tax incentives, six senators of the Senate Finance Committee, spearheaded by Olympia Snowe (ME) and Jeff Bingaman (NM) [sent a letter](#) to Treasury Secretary Tim Geithner and Acting Director Department of Office of Management and Budget (OMB) Jeffrey Zients urging them to advance policies to improve energy efficiency and continue to support clean energy incentives.

Specifically, the letter calls on Treasury and OMB to improve the guidance on the 179D Energy Efficient Commercial Building Tax Deduction.

“...as authors of the Energy Efficient Commercial Building Deduction (U.S.C 179D) we support the Administration’s Better Building Initiative to reduce energy consumption in the commercial building sector. Consistent with the President’s announcement on December 1, 2011, we encourage the Administration to issue guidance for partial deduction pathways for the building envelope as well as the heating, ventilation, and air conditioning (HVAC) system. In addition, we strongly support the effort to simplify the 179D tax deduction, especially for existing buildings, and look forward to working with you in this effort.”

For the second time in two years, the U.S. Green Building Council has convened a diverse group of 15 businesses and organizations to help develop a series of green building policy recommendations that could be achieved via executive action. The report, [Better Buildings Through Executive Action](#), includes a recommendation on updating guidance on the use of Section 179D, the deduction for investment in energy efficient commercial buildings.

“To encourage uptake of the partial deduction outside of lighting upgrades, IRS/DOE should issue guidance that avoids expensive performance modeling but rather instructs which particular pieces of high-efficiency heating, cooling, and building envelope materials and equipment should be installed that would meet existing savings targets already announced for those systems.”

We are happy these recommendations are being reviewed by policy makers throughout the federal government and hope that the Department of Treasury acts on this important recommendation since they have [firsthand knowledge](#) that green building sits at the nexus of saving people money, saving energy and creating jobs.

For more information on 179D, read our post "[Encouraging Energy Efficiency: A Tax Fix Everyone Can Get Behind.](#)"

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